

Remarks on the New Markets Initiative May 11, 1999

Thank you very much. I'd like to begin by thanking all the business leaders who have come here to be with us today, the members of the administration who are here, and especially the Vice President for the work that he has done to spearhead our community empowerment effort over the last 6 years and a few months.

I'd like to just say just a word or two by way of introduction to try to highlight why I asked these business leaders here today. You heard the Vice President talk about what we have tried to do since we came here, since we passed the first economic plan to give genuine economic opportunity to all of our citizens: the empowerment zones, the community development banks, the kinds of incentives we were trying to give to create jobs and opportunity for people who hadn't had them.

And we are very grateful for the record declines in unemployment among African-Americans and Hispanic-Americans and for the fact that the unemployment rate has dropped dramatically, not only overall but in many of our toughest, toughest neighborhoods throughout the country.

On the other hand, even though we have the lowest peacetime unemployment rate since 1957, there are still 37 cities—37—where unemployment is double the national average. There are lots of smaller communities where children still have to go past abandoned storefronts to get to a grocery store to buy a carton of milk. There are rural areas and very small towns which have had almost no new investment in the last 6 years. And of course, in many, many of our Native American areas and communities there is still a great deal of economic distress and uncertainty.

So what this whole effort has been about from the beginning for me, and especially what we are working on now, is the idea that we should go into the 21st century leaving no one behind. We should genuinely create opportunity for every responsible citizen. And we are being given a chance to do it.

I told the folks we met with today, it's very—I've spent a lot of time over the last 6 or 7 years studying how the American economy works as compared with other advanced econo-

mies in the world. And on balance, we've done a better job of creating jobs, while others have worked harder to maintain a sense of community and a greater degree of equality among working people. The price they have paid is that they have higher unemployment rates than we do.

We have been given an opportunity now, because we've got the strongest economy in at least a generation, to prove that we can bring the benefits of free enterprise to every neighborhood in America. We can prove that you can have low unemployment and increasing opportunity. The Vice President pointed out today that the wealth that minority families, for example, and families that live in poor rural areas have is still dramatically less than the wealth that average Americans have. They don't ever have a chance to accumulate anything.

This initiative that we are taking, we believe can change all that. We believe it builds on what we've done with the empowerment zones, with the enterprise communities, with the community development banks. We do want the Congress to give us another round of empowerment zones, and we want more.

In July I am going to visit communities for 2 or 3 days in our most stubborn pockets of poverty. I'm going places not just to remind America of the plight of the Americans who live there but to highlight their enormous economic potential and the visionary businesses who are helping to develop it.

Let me say again, the people who are here behind me, I was astonished when we listened in the meeting this morning about some of the things that they're already doing to bring opportunity to people in the areas they serve. But we have to do more.

You know, for years our Government has worked to give Americans incentives to invest in emerging markets around the world. But we now know, as we look forward to how we can continue to create jobs and have economic growth without inflation, that our greatest untapped markets are here at home—at least \$85 billion in untapped markets.

So how are we going to do this? First, the business leaders of our country have to help

us. We have to mobilize the private sector to bring new jobs and opportunities. We know that, since the Government, the Federal Government is the smallest it has been since 1962, what we can do is to do what we have been doing. We can find a new way to create the conditions and give the private sector the tools to bring investment to these areas to put people to work.

Now, how can we do that? More empowerment zones, more community development banks, but also our new markets initiative. Many of the people here with me today said, "What we need, if we want more investments in the inner cities, more investments in the medium-sized cities and small towns, more investments in rural areas, you've got to have more equity investment." So in the State of the Union, I proposed this new markets initiative to leverage billions of dollars in that kind of investment by providing tax credits of up to 25 percent of the equity placed in untapped markets.

I also proposed to create American private investment companies and new market venture capital firms to bring more equity capital to investors who develop or expand in these areas with loan guarantees that would cover up to two-thirds of the investment. If you have 25 percent tax credit for what's at risk and a loan guarantee of two-thirds of the rest and a plain

market there and we can actually get this out in simple terms that people can understand, I think we have a chance to spark an enormous amount of economic development in America before this administration's work is done.

We should not be thinking of our success without an equal determination to give every one of our fellow citizens a chance to be a part of it as we go into a new century. We don't have to leave anyone behind. And if we can't do this now, when in the wide world will we ever get around to it?

So, July we'll make the tour. In a few days we'll go down to south Texas, to the Vice President's annual empowerment conference. And we will continue to work with the business leaders that are here to do things that make sense. But the bottom line is we need the Congress to work with us in a bipartisan way. Of all the things in the world, this should not be a partisan political issue. We want to provide the economic incentives necessary to create jobs, keep growth going in America, keep inflation low, and go into that new century with everyone—everyone—walking hand-in-hand together.

Thank you very, very much.

NOTE: The President spoke at 11:25 a.m. in the Rose Garden at the White House.

Remarks in a Roundtable Discussion on New Markets in Atlanta, Georgia May 11, 1999

The President. Thank you. Well, first, Mayor Campbell, Mayor Jackson, Mayor Young, my friends, it's wonderful to be back in Atlanta. I will be very brief because I want to spend most of my time listening to our panelists, but I'd like to try to put what the mayor has said into the perspective of what we're trying to do with our administration. And I have with me our Housing and Urban Development Secretary Andrew Cuomo; our Small Business Administrator Aida Alvarez; my Deputy Chief of Staff Maria Echaveste. We had other members of the Cabinet with us earlier today, along with my National Economic Adviser, Gene Sperling, who helped to put this whole event today together.

But let me try to tell you why I'm here. When I became President in 1993 I had traveled around America and I had seen with my own eyes for many years, as a Governor and then as a candidate for President, people able to start businesses in places that had high unemployment or low income or other economic problems, if they just had access to capital and they had the right technical support, marketing support, loan guarantees, or whatever.

So when we started our administration we put into our first economic plan this whole idea of empowerment zones which would give tax credits, loan guarantees, technical assistance, and direct investment, and community development financial institutions which would make direct